



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Commerce, Community,
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

MEMORANDUM

TO: Marijuana Control Board

DATE: October 15, 2020

FROM: Carrie Craig, Records and Licensing
Supervisor

RE: MHCP 033 – ACTA Marijuana
Handler Certification Course

Application Background

On July 11, 2020 AMCO received material for the above referenced handler certification course from American Cannabis Training Association. The application and course materials was scheduled to be considered by the MCB board at the August 19 – 20, 2020 board meeting. The board wished to table the review to the October 15, 2020 meeting due to lack of time to review the material in preparation for the board meeting.

General Background

During the June 10 - 11, 2020 board meeting while discussing a regulations project for Marijuana Handlers Permits, Chairman Jones expressed interest in for the board member to brainstorm how the board monitors and approves the education courses. Bruce Schulte suggested the creation of a working group for this issue.

At the August 19 – 20, 2020 meeting, during public comment, an individual displayed concern that there are more course providers from outside of Alaska that offer “bargain or discount” services which includes lesser course fees and a faster certification turn-around time. However, it was pointed out that the material of these courses are lacking information specifically tailored for Alaska. This individual suggested a regulations project to only allow Alaskan-owned course providers to operate. Chairman Jones requested a new working group for education courses.



Alaska Marijuana Control Board

Form MJ-10: Education Course Provider Application

This marijuana handler permit education course provider application is required for all persons and entities seeking to have a marijuana handler permit education course approved or re-approved (every three years) by the Marijuana Control Board. Applicants should review **3 AAC 306.700**.

The course curriculum must cover at least the following topics:

- AS 17.37, AS17.38, and 3 AAC 306
- The effects of consumption of marijuana and marijuana products
- How to identify a person impaired by consumption of marijuana
- How to determine valid identification
- How to intervene to prevent unlawful marijuana consumption
- The penalty for an unlawful act by a licensee, an employee, or an agent of a marijuana establishment
- A written test, demonstrating that each student has learned the information correctly

This form must be submitted to AMCO's main office, along with copies of the course curriculum, before any marijuana handler education course provider application will be considered by the board.

Applicant Information

Enter information for the business seeking to be an approved marijuana handler permit education course.

Applicant:	American Cannabis Training Association ("ACTA")				
Course Name:	ACTA Alaska Marijuana Handler Certification Course				
Mailing Address:	549 W Intl Airport Rd, Ste A10 - 213				
City:	Anchorage	State:	AK	ZIP:	99518-1113
Email Address:	hello@actatraining.org	Phone:	(781) 684-9351		

Check one: ☒ Initial course application ☐ Three year course review

In-person ☐ Online ☒

Do you intend to provide this course in-person in a classroom-type setting, or online? Check all that apply.

☐ ☒

Insuk Lee
Signature of Applicant

Insuk Lee
Printed Name

10/9/2020
Date

OFFICE USE ONLY					
Board Meeting Date:		Approved Y/N?:		Course #:	

Alaska Marijuana Handlers Permit Certification





1

Marijuana's Effect on the Human Body



2

Identifying a Person Impaired by the Consumption of Marijuana



3

Acceptable Forms of Identification



4

Unlawful Use and Intervening Tactics



1

Marijuana's Effect on the Human Body



2

Identifying a Person Impaired by the Consumption of Marijuana



3

Acceptable Forms of Identification



4

Unlawful Use and Intervening Tactics

Marijuana's physical effects

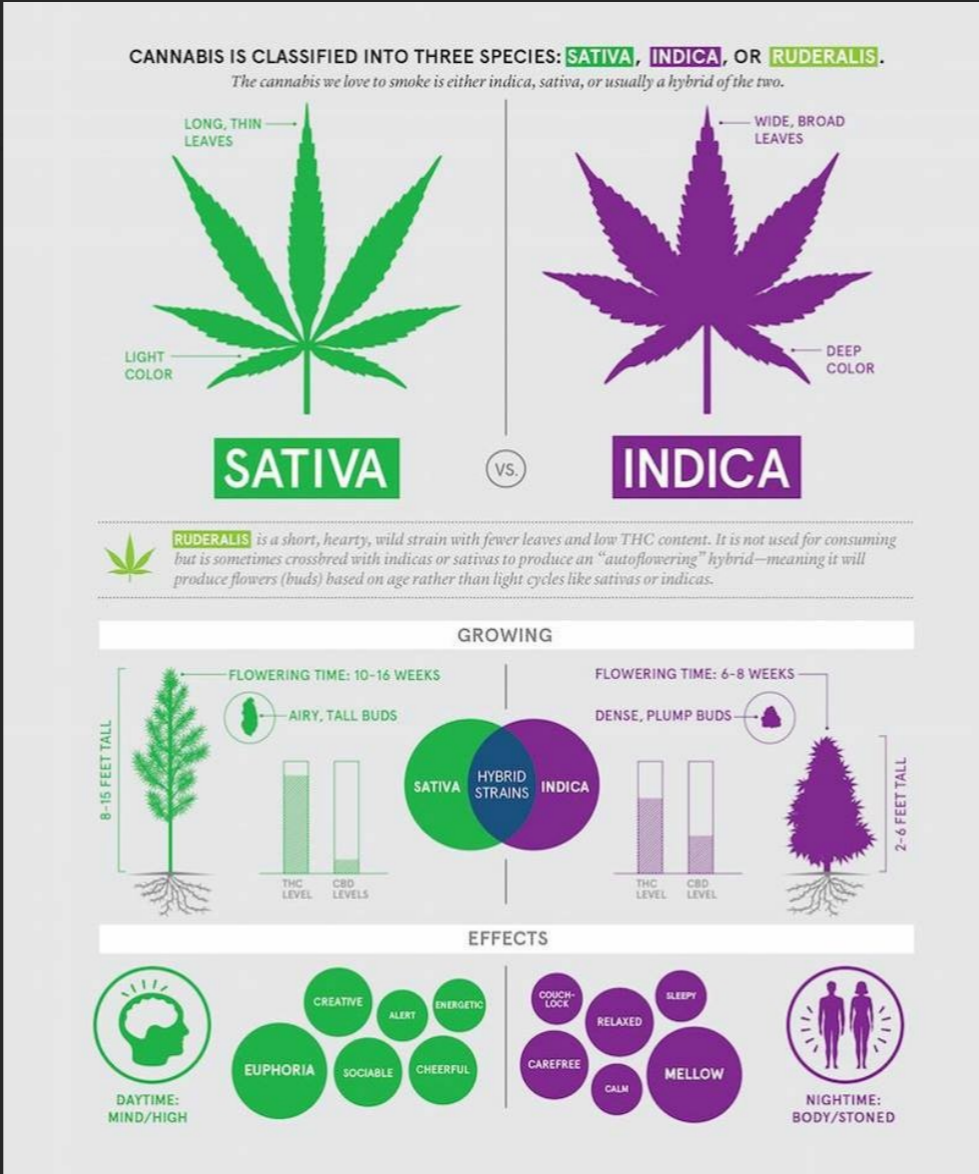
Marijuana effects the body's "endocannabinoid system" via absorption through the bloodstream, which results in some of the following physical effects:

	Nervous system	Increased dopamine release ('happy and relaxed feeling') Impaired judgement and memory Relief of pain and inflammation in the body Accelerated heartbeat Slowed reaction time, balance and coordination
	Eye	Red eyes
	Digestive	Dry mouth Increased appetite Reduced nausea and vomiting
	Lungs	Potential lung irritation from smoking/inhalation (e.g., coughing)

...among many other physical effects (see next slide for differences based on product type)!

Different products lead to different effects

There are 2 main types of marijuana strains



SOURCE: AZMARIJUANA

CBD vs. THC: Cannabinoid

>112 chemical compounds called cannabinoids are in cannabis and impact the bodies in various ways

2 most common chemical compounds for cannabis are:

THC (or tetrahydrocannabinol)

Mostly responsible for the psychological effects ("high")

CBD (or cannabidiol)

Non-psychoactive compound that have shown to alleviate anxiety, cognition, movement disorders, and pain

CBD Cannabidiol	THC Tetrahydrocannabinol
Non-psychoactive	Psycho-active
Neuro-protective	Relaxant
Anti-convulsant	Appetite stimulant
Antioxidant	Drowsiness
Anti-psychotic	Analgesic
Anti-inflammatory	Euphoria
Anti-tumoral	Paranoia
Minimal to no side effects	Anxiety

SOURCE: ENDOCA

Consumption methods of marijuana

7

Methods

Time to Impairment*

Time of Impairment*



INHALING

and exhaling smoke from burning cannabis

30 seconds to 2 minutes

2 - 6 hours



EATING

food that has cannabis as an ingredient

40-90 minutes

Up to 9 hours



UNDERNEATH TONGUE

delivery by placing droplets of cannabis in liquid form ("sublingual")

30 seconds to 5 minutes

2 - 6 hours

TOPICAL APPLICATION

via creams and patches that are "transdermal" (can be delivered to bloodstream)

Little to no impairment felt

Little to no impairment felt

*Time to and of impairment varies from people to people and by strain type. Recommended dosage of 5mg (or less) THC to start!

Inhaling: details

8

Methods of inhalation

1

Vaporizers:

inhale via vaporizers (or "vape pens") burn cannabis through controlled heat of 450°F

2

Joints:

cannabis rolled into a wax paper (or cigar papers for blunts) and burned with fire at around 3500°F

3

Blunts:

cannabis rolled into a cigar papers and burned with fire at around 3500°F

4

Pipe:

users load cannabis into a "bowl" and burn it, and then, a mouthpiece where the resulting smoke is inhaled

5

Bong:

users load the cannabis into a "bowl", but different pipes, utilize water to filter out the ash and tar that comes from the smoke before it reaches the lung



Comparison to "cooking"

Cook in an controlled oven

Cook over an open fire with stick

Cook over an open fire with a pan

Cook over a stove top

Cook over a stove top with boiling water

Eating: details

Common forms

1

Food

Cannabis is usually mixed to foods (many times through oil, butter, or syrup) which combines the subtle taste of cannabis

2

Drinks

Cannabis oil is mixed with a solution (called "emulsifier") that allows it mix into a drink (called "emulsification") since oil and water do not mix (think "oil spills")

3

Pills

Capsules or pills that contains cannabis (or extract)



Raw cannabis must be "decarboxylated" (or heated at 220 F) in order to activate the THC

What happens to marijuana after eaten?

Cannabis products that is eaten go through the mouth, stomach, and then the liver, where THC is absorbed, processed, and turned into another compound (called "11-Hydroxy-TH") and sent to the brain (takes 40-90 minutes).

This new transformed compound of 11-Hydroxy-TH, which is estimated to be 3-5x more potent and psychoactive than inhaled THC (National Institute of Health Study).

Underneath Tongue: Details

10

How does "underneath the tongue" delivery affect the body?



After oil is placed under tongue, the tissue and mucous glands under the tongue absorb the solution directly into the blood stream (and within seconds, to the brain)

This is faster from eating because it does not enter the digestive tract

How is this cannabis solution (or "tincture") made?

Tinctures are made by mixing the decarboxylated cannabis with alcohol (usually 50 - 120 proof), which causes both the acidic and basic plant material to break down and mix together.

Instead of alcohol, glycerin, a plant-based oil, can be used - though, it tends to product less potent solution.



Topical Application: Details

Topical solutions are cannabis-infused balms, lotions, sprays, and/or oils that are absorbed through the skin





1

Marijuana's Effect on the Human Body



2

Identifying a Person Impaired by the Consumption of Marijuana



3

Acceptable Forms of Identification



4

Unlawful Use and Intervening Tactics



5

Key State Laws & Rules

SECTIONS COVERED TODAY

Impairment

13

- 1 You cannot sell cannabis product to those that are visibly intoxicated
- 2 You are not expected to know the customer's impairment level, but you are expected to know visible indicators of intoxication
- 3 The Marijuana Establishment should develop a clear statement of what is considered impairment in the workplace
- 4 Supervisors and Management should be trained on how to recognize impairment
- 5 If a Marijuana Establishment is aware an employee is showing signs of impairment action must be taken

5 Major Signs of Impairment

14

Red eyes

Distinct smell

Poor muscle coordination

5

BIG SIGNS

Delayed reaction times

Increased appetite

Other Common Signs of Impairment

15



Physical

- Flushed Face
- Droopy Eyelids
- Swaying
- Perspiration



Speech

- Slurred speech
- Slow response to conversation
- Rambling



Attitude

- Inappropriate laughter



Behavior

- Lack of eye contact
- Restless
- Overly animated

Best Practices for Evaluating Impairment

16

1 Be alert when working and make eye contact with your customers

2 Know the signs of impairment

3 When the refusal of a sale is necessary be discrete, confident, courteous, tactful and firm

4 Utilize deescalation techniques when denying a sale and get help, remain calm, avoid fights

5 Notify your team when a sale is refused due to impairment



Symptoms of overconsumption

17

Physical

1

Escalated heart rate

2

Headache and nausea

3

Pale skin

4

Rapid breathing

Psychological

1

Confusion or panic attacks

2

Paranoid thoughts or hallucinations

Responses to overconsumption

18



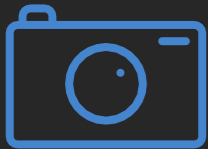
CALL 911

Seek medical help ASAP



IF POSSIBLE AND APPROPRIATE, LEAD THEM TO THE CLOSER EMERGENCY ROOM

Only if the person is still has control over motor functions



MONITOR CONDITION FOR WORSENING SYMPTOMS

Record any helpful information retained to share with medical professionals that arrive



CALL THE AMERICAN ASSOCIATION OF POSITION CONTROL CENTERS (1-800-222-1222)

They can be helpful in providing appropriate instructions



1 Marijuana's Effect on the Human Body



2 Identifying a Person Impaired by the Consumption of Marijuana



3 Acceptable Forms of Identification



4 Unlawful Use and Intervening Tactics



5 Key State Laws & Rules

SECTIONS COVERED TODAY

List of acceptable forms of ID: adult-use

20

Alaska (and other state) drivers
licenses

Passport (US and non-US)

Alaska state ID Card

Military ID

US Armed Forces ID Card (CAC)
Merchant Marine ID
DD Form 2

List of acceptable forms of ID: medical

21

Alaska (and other state) drivers licenses

Passport (US and non-US)

Alaska state ID Card

Military ID

US Armed Forces ID Card (CAC)
Merchant Marine ID
DD Form 2



Med UseCard

Also need proof of age (*one of the above*)

Acceptable Forms of ID

How to check ID and spot false ID

22

Use the "U-CARD" Identification Aid

Unaltered

Make sure the ID is removed from wallet and physically inspected

Current

Check expiration to make sure it is not expired

Age

Check birth date to ensures that the person is 21 or older

Readable

Be sure you can read and understand ID
You can ask questions to clarify/confirm

Description

Ensure that descriptions match, especially for features that are unlikely to change:
Height
Distance between eyes

Acceptable Forms of ID

How to check ID and spot false ID

23

Unaltered

Round corners

Clear signature



Other tips:

- Extra flimsiness
- Increased rigidity
- Bumps
- Ridges
- Inconsistent font
- Off-coloring

Ghost image

State shape

Fine line pattern

How to check ID and spot false ID

24

Current



Rule of thumb: Expiration date should be after today's date

How to check ID and spot false ID

25

Age



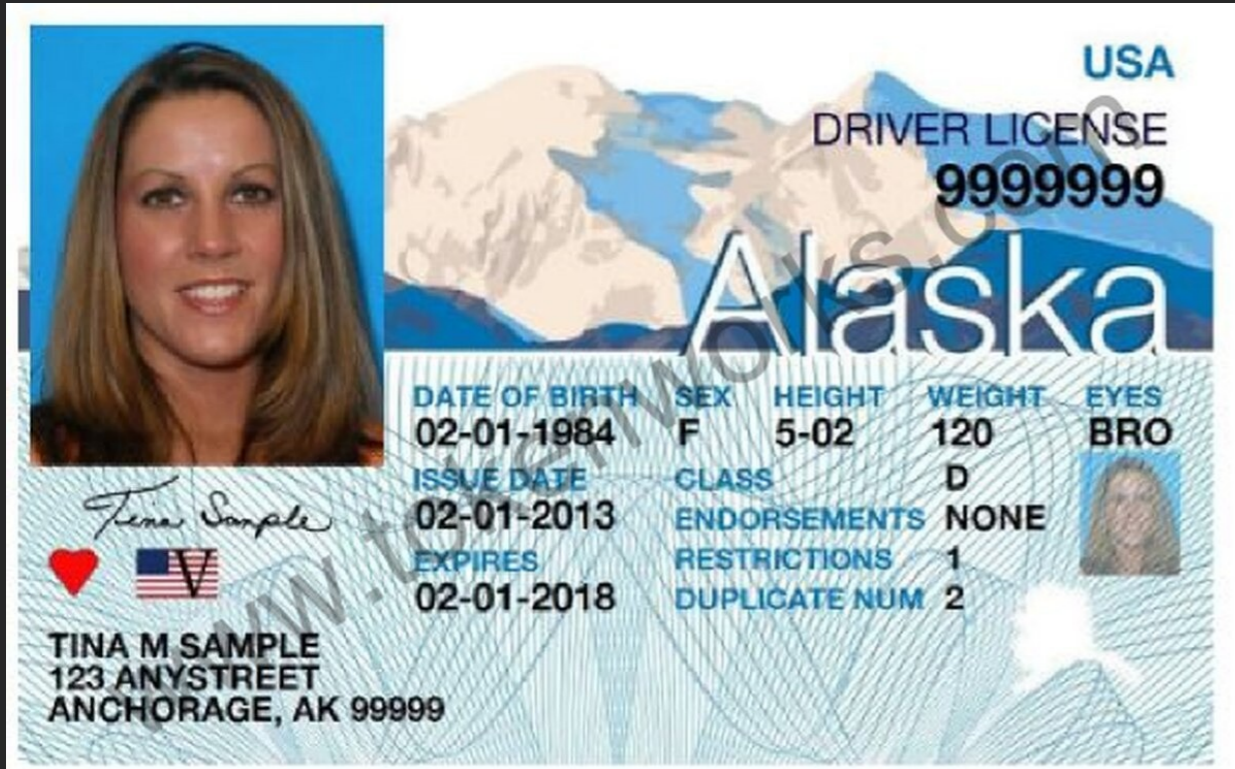
POP QUIZ:

What is the earliest day for someone to be 21 years old today?

How to check ID and spot false ID

26

Readable



You can always ask questions to customer to verify:

- What is your middle name?
- What is your address?
- What is your birth date?
- Are you an organ donor?
- What is your zip code?

How to check ID and spot false ID

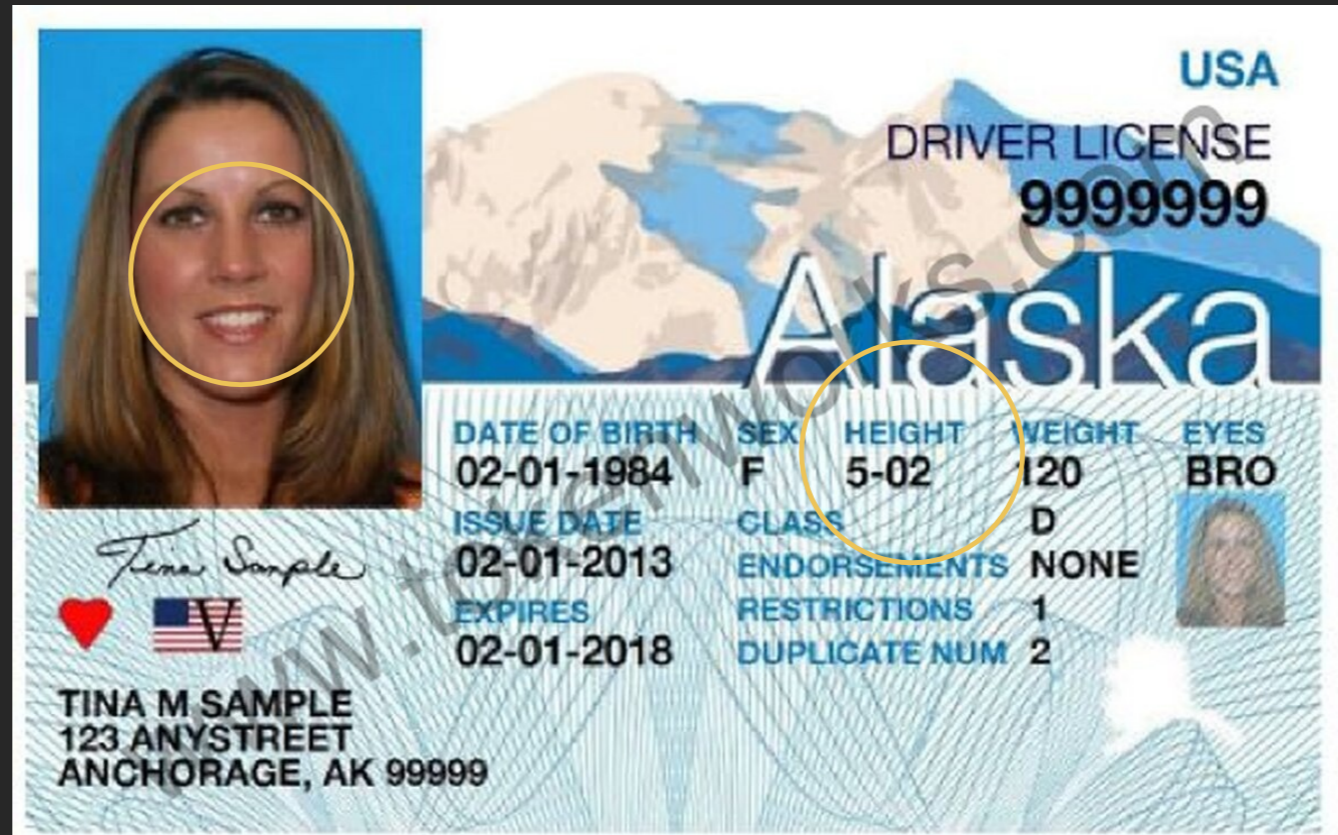
27

Description

Focus on core facial feature:

- Distance between eyes
- Nose/lip structure

Approximate height



How to check ID and spot false ID: non-MA ID

28

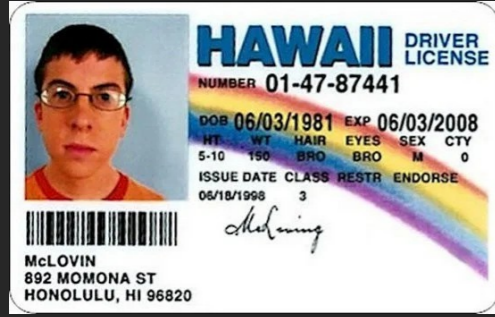
You can still use "U-CARD"....

...and can use this guide to understand state-specific guidelines

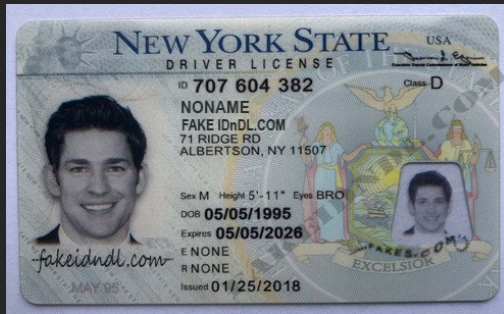


Confiscating false ID

29



If you believe the ID is counterfeit, you may confiscate BUT....



If you are unsure OR it's real (but being falsely used), you are not required to confiscate it

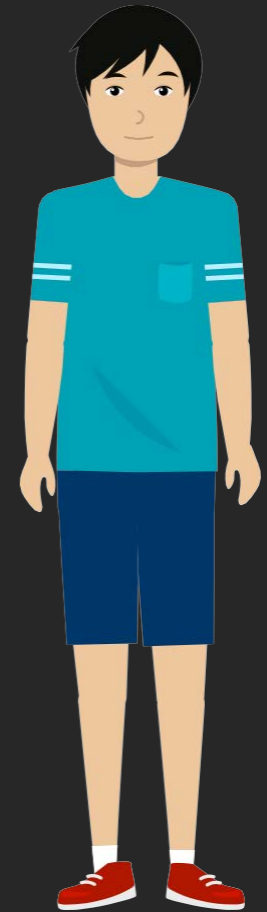
Guidelines:

- Turn over confiscated ID to law enforcement
- If you feel threatened after confiscating, give the ID back as it is not your legal duty to confiscate IDs at the risk of your safety and contact law enforcement afterwards

Common mistakes made in verification

30

- Follow the "U-Card" ID checklist
- Ask for a 2nd ID for verification
- Ask questions if you are unsure
- Do not need to feel the pressure to sell: use your judgement
- Know today's date
- Know the date that would make someone 21 years old today
- Get comfortable with knowing what are valid forms of ID



Exceptions for those under 21 years old:

31

Under 21 year olds

- Need proof of age from valid ID



- Active medical registration card



- Accompanied by personal caregiver with active registration card + valid ID (should be at least 21 years old)



1

Marijuana's Effect on the Human Body



2

Identifying a Person Impaired by the Consumption of Marijuana



3

Acceptable Forms of Identification



4

Unlawful Use and Intervening Tactics



5

Key State Laws & Rules

SECTIONS COVERED TODAY

7 Steps to Creating a Diversion Plan for Unlawful use of Marijuana³³

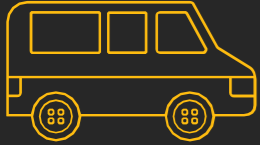
- 1 Provide a safe and secure ME for employees and customers
- 2 Practice safe handling, storage and distribution tactics for all cannabis products
- 3 Ensure comprehensive bookkeeping when it comes to the distribution, cultivation, and extraction of all cannabis products
- 4 Ensure the proper interface with the local jurisdiction and law enforcement agencies, and the seed-to-sale software system
- 5 Removal of things like cash, cannabis products, cannabis business equipment, physical and digital items and information
- 6 Employees shall be trained and equipped to report any unlawful activities within a ME
- 7 Employees need to be aware that the compliance department in conjunction with the security team will conduct regular internal audits of all workflow processes and procedures

Frequent Areas for Unlawful Use

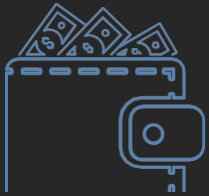
34



Product Procurement



Preparation and Transportation



Product Sale



Inventory Administration

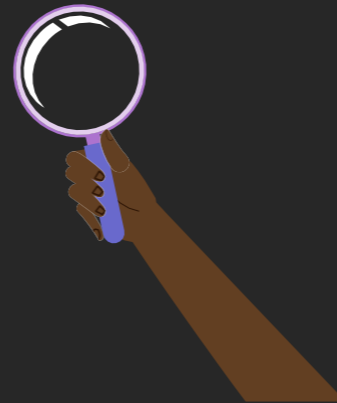


Removal of Waste Products

Employees must be aware that the compliance department in conjunction with the security team will conduct regular internal audits of all workflow processes and procedures

In the event of a discrepancy/difference in Cannabis or Cannabis products security needs to immediately perform an internal audit

Any employee found guilty of any form of cannabis diversion or negligence in reporting suspected or confirmed instances of diversion will have their employment terminated, and law enforcement will be notified of the situation



Internal Audits will ensure the ME is keeping up with government standards which can include

- Onsite use of cannabis prohibited
- Disposal of Cannabis products
- Reporting of source, quantity and sales
- Using safe rooms and vaults for storage
- Utilizing a workplace alarm access control system
- Ensure the overall security plan is consistent with organizational standard operating procedures and policies
- Compliance pertaining to records to be maintained both physically and digitally

Disclosure of the reports upon request by law enforcement agencies and the consent to have all company records inspected

Trash receptacles and dumpsters are common staging areas for product diversion
clear trash bags are implemented for all operational zones to mitigate employee diversion opportunity
All green waste needs to be disposed of immediately to avoid any illicit removal or consumption



Aside from workstations, employees need to be oriented to the full security landscape of the cannabis business to include the cannabis waste secure storage, quarantine and disposal areas

It is necessary to have private industrial grade dumpsters with steel lids and lockable container bars onsite to ensure surveillance camera sight-lines and emergency lighting coverage of all cannabis product disposal practices





When disposing of cannabis employees are in responsible for

- a. Waste weights and amounts
- b. Returned, unused cannabis product(s) for disposal



Should not responsible for physically processing

- a. Cannabis concentrate
- b. Topical Application
- c. Enteral capsule or tablet
- d. Tincture, or accessory product to its ultimate disposal

Cannabis product waste disposal processes need to be visually audited both by an in-person inspector and recorded video footage



The Law enforcement and the required department(s) will be contacted within 24 hours if any of the following occur:

- 1 Discrepancies identified during inventory, diversion, theft, loss, or any apparent criminal activity involving an employee
- 2 Unauthorized destruction of cannabis by an employee
- 3 Any suspicious act involving the sale, distribution, processing, or production of cannabis by any person on the licensed premise
- 4 Any loss or unauthorized alteration of cannabis business records, physical and digital
- 5 An alarm activation or other event that requires response by local law enforcement or public safety personnel
- 6 The failure of the security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than 8 hours
- 7 Any other breach of security warranting notification of law enforcement

Security personnel must isolate any area that is critical to the investigation until the investigators arrive

The security department conducts a full, annual evaluation of the cannabis business facility and site security vulnerability assessment that is reviewed by senior leadership who will revise operational protocols and implement new operating procedures.

The security diversion vulnerability assessment checklist to include physical walk-through's of cannabis business spaces and the building perimeter, interviewing employees individually to ascertain all pertinent data regarding cannabis concentrate products, financial and equipment procedures, and assess the adequacy of the security systems already in place and determining the cannabis business's needs.

Employees need to read and sign the employee handbook acknowledging that upon termination, all security codes, access key cards, bio-metric identifiers, database log-in passwords, and email access will be revoked to ensure the safety and security of our cannabis business, cannabis product stock, financial information, digital documentation, accessory product(s), current employees, and end-users



Employees shall perform deliveries in pairs to prevent possibilities for diversion and ensure employee safety.

Transportation procedures include

1. Once a product delivery request is received and verified by an employee, they must create a delivery manifest to establish chain of custody
2. Remove products from the storage vault and move them to the packaging area, making sure to indicate on the storage log and in the seed-to-sale tracking software which products were removed. Products need to have a barcode for scanning that will track the package movement from inventory to in-transit inventory and finally to dispense.
3. Each employee needs scan and count all products on surveillance video and then place them into an opaque, child-resistant shipping unit package or bulk container
4. Once all products listed on the delivery manifest have been accounted for by two different employees, they must seal the shipping package or container with tamper evident tape and initial across the tape
5. The employees must then place the sealed package in the appropriate section of the storage vault, making sure to indicate the addition of product on the storage log
6. A copy of the delivery manifest will be attached to the shipment package
7. Employees are required to immediately report any deviation from these policies and procedures to management



Key Elements of Storage and Security

41

1. Products be stored in a locked and secured location always unless in the direct physical control of an authorized individual
2. Camera surveillance will be utilized in locations where there is high risk for diversion
3. Storing cannabis products in transportable lock boxes onsite should be avoided if possible and only implemented when physically moving product
4. Lock-out times for electronic locks containing cannabis or derivative products are limited to the narrowest window of time that is appropriate for the setting
5. Establish a defined process to ensure that only authorized employees have access to cannabis concentrate products
6. Secure locks and storage only accessible by authorized employees through things like pass code, key-cards, fobs
7. Where traditional key lock security and manual inventory systems are used, with set a procedure to track keys, secure keys after hours, replace lost keys and change locks
8. Authorized areas to be recorded for security purposes
9. Employees authorized to have access to cannabis, regardless of form, need to provide photo identification upon request
10. Inventory of any form of cannabis product will be manually inventoried by two authorized employees at the beginning and end of every shift when the cannabis business is open for services
11. For high-volume or high-risk areas, more frequent verification audits need to be implemented to prevent or minimize inventory count discrepancies and minimize the time window for discovery of the discrepancy



Internal and Procurement Procedures

42

Cannabis business has purchasing safeguards in place that prohibit the ordering of cannabis by those not authorized by the organization, to include:

- ✓ Cannabis products may only be ordered by authorized employees.
- ✓ An electronic seed-to-sale tracking system will be utilized in creating purchase orders, delivery manifests, and chain of custody documentation eliminating, or minimizing, use of paper and creating an audit trail.
- ✓ Separation of duties exists between ordering and receipt of cannabis products
- ✓ Two authorized employees count, and check-in received packages and/or bulk containers and confirm that order, invoice, and product received documentation to match
- ✓ Process to investigate and remedy discrepancies when cannabis products are received in the cannabis business from a grower/processor facility, wholesaler, or another licensed program distributor
- ✓ Processes to track, reconcile, and audit cannabis products where preparation is outsourced to and received from a third party.
- ✓ Procedures exist that ensure the chain of custody is maintained for inter-organization transfer or transport of cannabis.
- ✓ Procedures define controls and documentation required where cannabis products are transferred between locations

When disposing cannabis it requires both the employee and a witness to dispose of product—a process derived from medical practices for disposing of unused, post-operational anesthesia narcotics

An individual witnessing waste disposal should verify the product label, that the volume or amount being wasted matches the inventory documentation, that the product being disposed of physically matches the product in the documentation, and that the disposal occurs per standard operating procedures for safe disposal and in a manner that makes the cannabis product irretrievable.

The entire process of disposal needs be witnessed and carried out on video, so the individual verifying can be certain that the actual product is being wasted, and not substituted for an adulterated product. Approved methods for wasting cannabis are defined in government laws and regulations, as well as by guidance given by the government addressing pharmaceutical agents. Key elements of returning, wasting, and disposal of cannabis products include:

- a. For defined high-risk areas, waste is witnessed and reconciled with an authorized employee.
- b. Approved methods for disposal are defined in policies, government laws and regulations of the appropriate authorities.
- c. Procedures should comply with Universal Precautions and specific organizational waste disposal requirements.
- d. Waste containers with any waste cannabis product are secured to prevent tampering or made otherwise irretrievable.



Reporting Suspected Diversion 1/2

It is imperative a detailed and thorough approach to investigating and reporting suspected diversion because incomplete investigations and subsequent followups have serious legal and compliance implications

Diversion investigations should always be conducted as expeditiously, thoroughly and completely as possible. Investigation and reporting elements procedures detailed in the security and diversion plan include:

- 1 Guidance is provided about the review process, including who will coordinate the investigation, appropriate team members, leadership, and legal counsel notification, documentation of the investigation, and coordinate internal and external reporting.
- 2 Appropriate reporting occurs when it is determined that the discrepancy is unresolved or that there has been a known theft or diversion. As the investigation proceeds, there needs to be an escalation and broadening of notifications specified in the policies and procedures defined by the cannabis business.
- 3 If management becomes aware of an arrest of an employee for illicit use of a controlled substance, an investigation into the employee's transactions begins immediately to assess whether diversion has occurred. The cannabis business should then assess whether to suspend, transfer, terminate, or take other action (remove access to product) or other sanctions against the employee.



Established guidelines for engaging others external to the cannabis business, such as government regulations, licensure boards, laboratories (for testing), and law enforcement agencies



Guidance is provided regarding the review processes to determine who is required to be notified, when to notify, who is responsible for contacting the proper agency, and other circumstances for the notification. Fulfill reporting requirements for diversion or other unaccountable loss of product in accordance with laws and regulations of the government



Immediately remove access privileges to cannabis concentrate products and/or financial assets if diversion is suspected until the investigation is completed and determination of diversion or other risk to community safety and/or customers is made

A comprehensive Human Resources approach to support cannabis diversion should include:

1. An employee and provider substance abuse policy
2. An education and awareness program
3. A supervisor training program
4. An employee and provider assistance program
5. Peer support and systems (ex. pharmacist recovery networks)
6. Requirements for drug testing, including a for-cause policy for drug testing
7. Return to work policies
8. Sanctions for performance and diversion violations
9. Employees should participate in or contribute to the development different programs. ME must implement policies to protect customers and communities from potential harm related to diversion
10. Policies need to ensure that they follow government laws regarding referral to local law enforcement and applicable licensing boards
11. Employees must also have a process to remove an employee suspected of being impaired from delivering care and to prevent further access to cannabis products either pending investigation or after confirmed diversion or policy breach



Human Resources always plays an important role ensuring employees approach cannabis diversion prevention with the same diligence they would apply to any potential compromise to customer safety. Human Resources helps to create a culture of awareness that supports an effective organization-wide cannabis prevention diversion

Senior leadership should determine the repercussions or sanctions for violations and for confirmed thefts or diversion and should ensure those repercussions or sanctions are consistently applied across all disciplines

Policies should not vary depending on whether the employee is supporting his or her own use (or that of an associate) or there has been theft of cannabis for sale and financial gain

A substance abuse policy should address circumstances in which an employee is discovered to be diverting to support an addiction. Such diversion should be addressed as theft and referred to local law enforcement and applicable licensing boards. Substance abuse policies should also address actions to take when a person separates from the employer during an investigation, including when the organization should inform local authorities and notify the relevant licensing board

Prevention
Dedicated Loss Prevention Resources and Creation and Implementation of Standard Loss Prevention Procedures

1

2

Awareness

Implementation of a program with a variety of delivery mediums with consistent and repetitive messaging

3

Compliance
Following the laws and Standard Operating Procedures

4

Detection

Use available technologies and create procedures to help detect possible losses involving thefts and errors

5

Investigation
Identify compliance issues
Design and use effective audits to reduce exposure

6

Resolution

For those investigations involving theft, the resolution can be the identification of culprits involved, admissions of theft and the establishment of restitution and civil recovery processes

Diversion Program

1

Employees should be made aware by senior leadership to speak up when they suspect a cannabis related diversion issue

2

All employees should receive initial orientation and annual education in diversion prevention and substance abuse and diversion awareness

3

Emphasize the importance of reporting signs of a potentially impaired employee, substance addiction behavior or suspected cannabis diversion, and its potential impact on customers and workplace safety, including ramifications for failure to report

4

Managers need to also receive training in signs, symptoms, and behavior alerts, what to do when they suspect an employee is impaired, managing an employee in recovery, and their responsibilities should they become aware of a known or suspected cannabis diversion

For a program to be consistent, it must start with some key elements; these include documented policies and procedures, a well-developed audit and audit schedule (for all locations) and an understanding of how the company handles theft investigations. Without a consistent program and key elements, associates will not understand your expectations and be able to help prevent loss in their locations

Visibility plays a large role in preventing loss. The best defense is a watchful eye. Be aware of these strategies as an employee:

- Use the inventory-tracking system. Legal regulations require the tracking of all sales of cannabis.
- Check the z-tape and z-tape numbers. If yesterday's z-tape was number 24 and today's is 27, what happened to 25 and 26?
- Provide all employees with training on theft-prevention, both shoplifting and employee theft.
- Encourage anonymous tips. Publish a phone number employee can call to leave an anonymous message if they suspect a co worker of stealing product or cash.
- Watch for employees with calculators and receipt books. Many retailers say that a sure sign of a problem is an employee who has a calculator next to the cash drawer, or a separate receipt book tucked into a drawer or pocket.
- Watch the "no-sales." Many retail owners know that the leading indicator of theft is a single piece of data: the "no sale" number. If a typical day's no sale tally is four, but every time an employee works the tally is ten, there may be a problem



Workplace

Work-related factors that can potentially lead to substance use:

- Jobs that offer little control or low job satisfaction.
- Repetitive, monotonous jobs with periods of inactivity.
- Working in isolation or remote areas with little supervision.
- High stress, low control.
- Long hours or irregular shifts.
- Fatigue.
- Easy access to substances.



In a supportive workplace, employees will feel safe to share their concerns and seek assistance. A successful supportive workplace can include:

- Occupational Health and Safety
- Psychosocial Work Environment
- Workplace Health Promotion (wellness, personal health resources)
- Organizational Community Involvement



Unlawful Use and Intervening Tactics

Program Implementation

1. Needs assessment
2. Identify Scope of the issue
3. Determine what is currently in place ie resources, substance dependence problems
4. Draft policy

Once Draft complete the policy should include the following sections

Scope
Objectives
Roles and Responsibilities
Rules
Policy Violations and Consequences
Procedure
Prevention
Assessment and Rehabilitation
Confidentiality and Privacy
Policy and Program Evaluation





1 Marijuana's Effect on the Human Body



2 Identifying a Person Impaired by the Consumption of Marijuana



3 Acceptable Forms of Identification



4 Unlawful Use and Intervening Tactics



5 Key State Laws & Rules

SECTIONS COVERED TODAY

Penalties for Unlawful Act

54

Any unlawful act can result in the suspension or revocation of an establishment license, and/or criminal charges against those involved

Marijuana sales by unlicensed individuals or entities remain subject to Criminal penalties
Delivery for compensation less than 1 ounce of marijuana without a marijuana retail license may result in a Class A Misdemeanor punishable by up to 1-year imprisonment and/or a fine up to \$10,000

Delivery with or without compensation of an ounce or more of marijuana will result in a Class C Felony punishable by up to 5 years of imprisonment and/or a fine up to \$50,000

Retail marijuana sales are restricted to adults 21 years of age or older, delivery to a person under the age of 19 by a person at least 3 years his senior is a Class B Felony punishable by up to 10 years imprisonment and/or a fine up to \$100,000



In addition to local and state law enforcement, several individuals are responsible for inspecting and investigating the marijuana industry to ensure safe practices and lawful action these individuals can include:

- i. director of the board
- ii. enforcement agent
- iii. employee agent
- iv. employee of the board
- v. peace officer

A ME and employees must cooperate with investigators to enforce the laws related to marijuana. Cooperation includes:

- Permitting entry
- allow inspection of licensed premises
- Provide access to business records

If need arises investigators may

- Issue a report or notice of a violation
- Exercise peace officer powers
- Take any other action Alaska's Alcohol and Marijuana Control Office (AMCO) determines is necessary



Investigators may issue the following before suspending or revoking a ME license

Inspection Report

Documents each inspection of the licensed premises and must be prepared on a form the board prescribes. The report must include information prescribed by statute, regulation, or the board.

Advisory Report

An advisory notice when an incident occurs, or a defect is noted that could result in a violation of a statute, regulation, or municipal ordinance. An advisory notice may result from an inspection report but it is not a basis for administrative action unless incident/defect continues or is not corrected.

Notice of Violation

When an inspection report shows a ME is in violation of Alaska laws, or other law relating to marijuana. Must be delivered to the ME at its licensed premises and to the board. Must describe any violation, and cite the applicable statute, regulation, or order of the board. A ME may respond to the notice orally or in writing, and may, within 10 days after receiving the notice, request an opportunity to appear before the board.

Suspension and Revocation of License by the Board

57

The Board may take act to protect the best interest of the public

Using any process not approved by the board for extracting or manufacturing concentrate or products

Selling / Distributing any marijuana concentrate or product that has not been approved by the board

Failing to correct any defect that is subject of a notice of violation

Knowingly allowing an employee or agent to violate Alaska Marijuana Laws and regulations

Failing to comply with any applicable public health, fire, safety, or tax law or regulation in the state

Using the ME for any illegal purpose including gambling, possession or use illegal

The Board may

Suspend or revoke a license

Refuse to renew a license

Impose a civil fine

If the board finds that a licensee or any ME misrepresented a material fact on an application for a ME license

A ME License will be revoked or suspended if any licensee is

Convicted of a felony

Has been found guilty of selling alcohol without a license

Selling alcohol to a minor

A misdemeanor crime involving a controlled substance

Violence against a person

A Class A Misdemeanor relating to selling, furnishing, or distributing marijuana or operating an establishment where marijuana is consumer contrary to state law

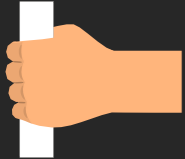


If AMCO finds that you have acted and appears to be continuing to act in a way that constitutes an immediate threat to the public health, safety or welfare the AMCO may issue an order immediately suspending the license of that person and ordering an immediate stop to the activity that constitutes the threat to the public health, safety, or welfare

When AMCO issues a summary suspension they must immediately give the ME notice of the reasons for the summary suspension, and of the time and place for an expedited hearing before the board. Unless the ME requests a delay, the hearing will be held within five days after AMCO gives notice of the reasons for the summary suspension and the scheduled hearing

The Local government may notify AMCO if it obtains evidence that a ME has violated a provision of Alaska laws, or a condition the board has imposed on the ME, unless the board finds that the local government's notice is arbitrary, capricious, and unreasonable, AMCO will prepare the notice and supporting evidence as an accusation against the ME and conduct proceedings to resolve the matter

A proceeding to suspend or revoke a license must be initiated by service of an accusation on the ME. The accusation must be served at the address of the licensed premises, or at the address of the licensee who is responsible for management and compliance with laws as listed in the ME license application. The ME is entitled to a hearing



Investigators may seize marijuana or any marijuana product from a licensed or previously licensed ME if the ME has:

- Any Marijuana or marijuana product not properly logged into the ME's marijuana inventory tracking system
- Any forbidden adulterated marijuana food or drink product
- Any marijuana or marijuana product that is not properly packaged and labeled
- Not renewed its license as required

If an investigator seizes marijuana or marijuana product, AMCO must update the marijuana inventory control tracking system to reflect the seizure and ensure that the seized items are stored in a reasonable manner

AMCO must immediately give the ME from which the seizure occurred notice of the reasons for the seizure and the time and place of a hearing before the board



Unless the ME requests a delay the hearing will be held within 10 days after AMCO gives notice of the reasons of the seizure. If the seizure occurs in connection with a summary suspension, the hearing will be combined with a hearing on the summary



If the ME does not request or participate in a hearing, or if after a hearing the board finds that seizure of the marijuana was justified, the marijuana will be destroyed by a burning, crushing, or mixing with other material to make the marijuana unusable



If a seizure of marijuana takes place in a licensed standard or limited marijuana cultivation facility, the seizure order may direct the cultivation facility to continue care of the plants until the hearing, but prohibit any transfer, sale, or other commercial activity related to the plants

Hearings and Appeals



1

Any person aggrieved by an action of:
AMCO

- Director
- Enforcement Agent
- Employee of the board

May request a hearing filing a notice of defense within 15 days after receiving a written accusation

*Failure to file a notice of defense constitutes a waiver of the right to a hearing

2

An aggrieved party may appeal to the board regarding any action of AMCO, an enforcement agent, or an employee of the board charged with enforcing Alaska laws, including suspending or revoking a license, seizing marijuana or a marijuana product, or imposing a civil fine

3

A person aggrieved by a final decision of the board suspending or revoking a license or imposing a civil fine may appeal to the superior court

The board may, in addition to any other penalties, impose a civil fine on:

ME

- Licensee
- Person that has violated a provision of Alaska laws

The board may impose a civil fine not to exceed the greater of: An amount that is 3 times the monetary gain realized by the ME, licensee, or person because of the violation, as determined by the board

First Violation = \$10,000

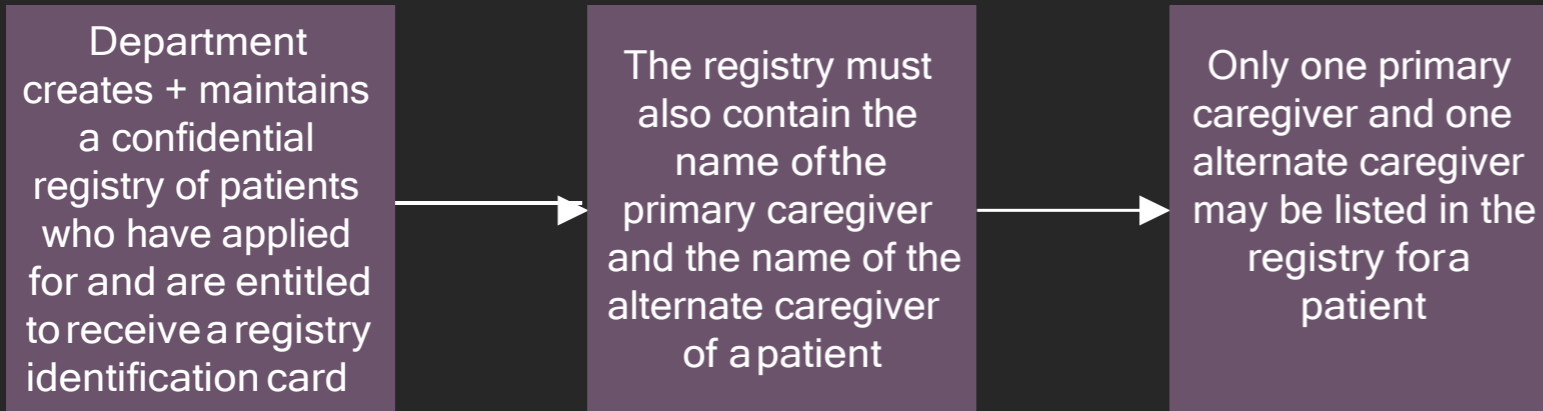
Second Violation = \$30,000

Third or subsequent violation = \$50,000

License Surrender or Destruction

A license must be surrendered to AMCO an enforcement agent, or an employee of the board on demand if AMCO or board so orders

The license must be surrendered within 10 days after the ME loses or vacates the licensed premises. If a license is destroyed, the ME must promptly notify the board



Peace officers and authorized employees of state or municipal law enforcement agencies shall be granted access to the information contained within the department's confidential registry only

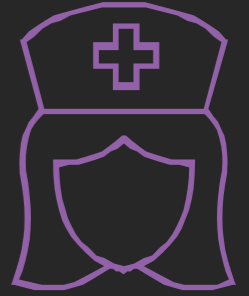
1. Verifying that an individual who has presented a registry identification card to a state or municipal law enforcement official is lawfully in possession of such card
2. To Determine that an individual who claims to be lawfully engaged in the medical use of marijuana is registered or listed with the department or is considered to be registered

In order to be placed on the state's confidential registry for the medical use of marijuana, an adult patient or a parent or guardian of a minor patient shall provide the department

1. A statement signed by the patient's physician
2. A sworn application on a form provided by the department containing the following information
3. If the patient is a minor, a statement by the minor's parent or guardian that the patient's physician has explained the possible risks and benefits of medical use of marijuana and that the parent or guardian consents to serve as the primary caregiver for the patient and to control the acquisition, possession, dosage, and frequency of use of marijuana by the patient

Registry of Patients and Listing of Caregivers

64



A person may be listed as the primary caregiver or alternate caregiver for a patient if the person

- Is at least 21 years of age

- Has never been convicted of a felony offense

- Is not currently on probation or parole from this or another jurisdiction

A person may not apply for a registry identification card more than once every six months

If the department fails to deny the application and issue a registry identification card within 35 days of receipt of an application, the patient's application for the card is considered to have been approved Receipt of an application shall be considered to have occurred upon delivery to the department

If the department subsequently registers a patient or lists a primary caregiver or alternate caregiver, if either is designated, or denies the application or listing, that registration or listing or denial revokes the approval that is considered to have occurred under this subsection

The denial or revocation of a registry identification card or the removal of a patient from the registry or the listing of a caregiver shall be considered a final agency action subject to judicial review. Only the patient, or the parent or guardian of a patient who is a minor, has standing to contest the final agency action

A person may be a primary caregiver or alternate caregiver for only one patient at a time...

Unless The primary caregiver or alternate caregiver is simultaneously caring for two or more patients who are related to the caregiver by at least the fourth degree of kinship by blood or marriage

The department may

- 1 Revoke a patient's registration if the department determines that the patient has violated a provision
- 2 Remove a primary caregiver or alternate caregiver from the registry if determined not qualified to be listed or has violated a provision
- 3 Determine and levy reasonable fees to pay for any administrative costs associated with its role in administering this chapter
- 4 Not register a patient under this section unless the statement of the patient's physician discloses that the patient was personally examined by the physician within the 16-month period immediately preceding the patient's application
- 5 Cancel, suspend, revoke, or not renew the registration of a patient whose annual resubmission of updated written documentation to the department under (k) of this section does not disclose that the patient was personally examined by the patient's physician within the 16-month period immediately preceding the date by which the patient is required to annually resubmit written documentation

A patient or a primary caregiver who is questioned by a state or municipal law enforcement official about the medical use of marijuana must show:

- The person's registry identification card
- A copy of an application that has been pending without registration or denial for over 35 days since received by the department and proof of the date of delivery to the department, which shall be accorded the same legal effect as a registry identification card until the patient receives actual notice that the application has been denied

Registry of Patients and Listing of Caregivers

The department shall

- 1 Review the application and all information submitted under (c) and (d) of this section within 30 days of receiving it
- 2 Notify the patient that the patient's application for a registry identification card has been denied if the department's review of the information that the patient has provided discloses that the information required under (c) of this section has not been provided or has been falsified or that the patient is not otherwise qualified to be registered
- 3 Notify the patient of that determination and shall proceed to review the patient's application as if a primary caregiver or alternate caregiver was not designated if primary caregiver or alternate caregiver is not qualified
- 4 Issue a registry identification card to the patient, and, if a primary caregiver for a patient has been listed in the registry, the department shall issue to the patient a duplicate of the patient's card clearly identified as the caregiver registry identification card
- 5 Not list a newly designated primary caregiver or alternate caregiver until it determines that the newly designated caregiver is qualified u

A primary caregiver and alternate caregiver may only act as a caregiver for the patient when the caregiver is in physical possession of the caregiver registry identification card

A patient who no longer has a debilitating medical condition and the patient's primary caregiver, if any, shall return all registry identification cards to the department within 24 hours of receiving the diagnosis by the patient's physician

A copy of a registry ID is not valid. A registry ID card is not valid if the card has been altered, mutilated in a way that impairs its legibility, or laminated

To maintain an effective registry ID card, a patient must annually resubmit updated written documentation, including a statement signed by the patient's physician containing the information required to the department, as well as the name and address of the patient's primary caregiver or alternate caregiver

When there has been a change in the name, address, or physician of a patient who has qualified for a registry ID card, or a change in the name or address of the patient's primary caregiver or alternate caregiver, that patient must notify the department of the change within 10 days

Privileged Medical Use of Marijuana

68

1 A patient, primary caregiver, or alternate caregiver registered with the department has an affirmative defense to a criminal prosecution related to marijuana to the extent provided in *AS 11.71.090

2 Except as otherwise provided by law, a person is not subject to arrest, prosecution, or penalty in any manner for applying to have the person's name placed on the confidential registry maintained by the department

3 A physician is not subject to any penalty for advising a patient whom the physician has diagnosed as having a debilitating medical condition about the risks and benefits of medical use of marijuana or that the patient might benefit from the medical use of marijuana

4 Notwithstanding the provisions of this section, a person, including a patient, primary caregiver, or alternate caregiver, is not entitled to the protection of this chapter for the person's acquisition, possession, cultivation, use, sale, distribution, or transportation of marijuana for non-medical use.

A governmental, private, or other health insurance provider is not liable for any claim for reimbursement for expenses associated with medical use of marijuana

Restrictions on Medical Use of Marijuana

69

A patient, primary caregiver, or alternate caregiver may not:

- 1 Engage in the medical use of marijuana in a way that endangers the health or well-being of any person
- 2 Possess in the aggregate more than one ounce of marijuana in usable form or six marijuana plants, with no more than three mature and flowering plants producing usable marijuana at any one time
- 3 Sell or distribute marijuana to any person, except that a patient may deliver marijuana to the patient's primary caregiver and a primary caregiver may deliver marijuana to the patient for whom the caregiver is listed
- 4 Engage in the medical use of marijuana in plain view of, or in a place open to, the general public; this paragraph does not prohibit a patient or primary caregiver from possessing marijuana in a place open to the general public if
 - The person possesses, in a closed container carried on the person, one ounce or less of marijuana in usable form
 - The marijuana is not visible to anyone other than the patient or primary caregiver
 - The possession is limited to that necessary to transport the marijuana directly to the patient or primary caregiver or directly to a place where the patient or primary caregiver may lawfully possess or use the marijuana

Any patient who has knowingly violated the provisions of this chapter shall be precluded from obtaining or using a registry identification card for the medical use of marijuana for a period of one year

There is no requirement to make any accommodation of any medical use of marijuana

In any place of employment

- In any correctional facility, medical facility, or facility monitored by the department or the Department of Administration
- On or within 500 feet of school grounds, a recreation/youth center or a school bus

In the interest of allowing law enforcement to focus on violent and property crimes, and to enhance individual freedom, the people of the state of Alaska find and declare that the use of marijuana should be legal for persons 21 years of age or older

In the interest of the health and public safety of our citizenry, the people of the state of Alaska further find and declare that the production and sale of marijuana should be regulated so that:

- i. Individuals will have to show proof of age before purchasing marijuana
- ii. Legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana
- iii. Marijuana sold by regulated businesses will be labeled and subject to additional regulations to ensure that consumers are informed and protected

Nothing in this Act proposes or intends to require any individual or entity to engage in any conduct that violates federal law, or exempt any individual or entity from any requirement of federal law, or pose any obstacle to federal enforcement of federal law.

The personal cultivation of marijuana described in AS 17.38.020(2) is subject to the following terms:

- Marijuana plants shall be cultivated in a location where the plants are not subject to public view without the use of binoculars, aircraft, or other optical aids
- A person who cultivates marijuana must take reasonable precautions to ensure the plants are secure from unauthorized access
- Marijuana cultivation may only occur on property lawfully in possession of the cultivator or with the consent of the person in lawful possession of the property

A person who violates this section while otherwise acting in compliance with AS 17.38.020 (2) is guilty of a violation punishable by a fine of up to \$750

A person who is under 21 years of age may not present or offer to a ME or the ME's agent or employee any written or oral evidence of age that is false, fraudulent, or not actually the person's own, for the purpose of

- Purchasing, attempting to purchase, or otherwise procuring or attempting to procure marijuana or marijuana products
- Gaining access to a marijuana establishment

A person who violates this section is guilty of a violation punishable by a fine of up to \$400.



Personal Use of Marijuana

The following acts by anyone 21 years or older are considered lawful in Alaska:

- ✓ Possessing, using, displaying, purchasing, or transporting marijuana accessories or one ounce or less of marijuana
- ✓ Possessing, growing, processing, or transporting not more than six marijuana plants, with three or fewer being mature, flowering plants, and possession of the marijuana produced by the plants on the premises where the plants were grown, except that not more than 12 marijuana plants, with six or fewer being mature, flowering plants, may be present in a single dwelling regardless of the number of persons 21 years of age or older residing in the dwelling
- ✓ Transferring one ounce or less of marijuana and up to six immature marijuana plants to a person who is 21 years of age or older without remuneration
- ✓ Consumption of marijuana, except that nothing in this chapter permits the consumption of marijuana in public
- ✓ Assisting, aiding, or supporting another person who is 21 years of age or older in any of the acts described in 1-4 of this section
- ✓ Persons 21 years of age or older to manufacture, possess, or purchase marijuana accessories, or to distribute or sell marijuana accessories to a person who is 21 years of age or older
- ✗ It is unlawful to consume marijuana in public. A person who violates this section is guilty of a violation punishable by a fine of up to \$100

Lawful Operation of Marijuana-Related Facilities (1/2)

74

When performed by person 21 years of age or older who is acting as an owner, employee, or agent of each type of marijuana-related facility with a current, valid registration, the following acts are not an offense or a basis for seizure or forfeiture of assets under state law:

Retail Marijuana Store

- Purchasing marijuana or marijuana products from a marijuana product manufacturing facility
- Delivering or transferring marijuana or marijuana products to a marijuana testing facility
- Purchasing marijuana from a marijuana cultivation facility
- Receiving marijuana or marijuana products from a marijuana testing facility
- Possessing, displaying, storing, or transporting marijuana or marijuana products, except that marijuana and marijuana products may not be displayed in a manner that is visible to the general public from a public right-of-way

Marijuana cultivation facility

- Cultivating, manufacturing, harvesting, processing, packaging, transporting, displaying, storing, or possessing marijuana
- Delivering, distributing, or selling marijuana to a marijuana cultivation facility, a marijuana product manufacturing facility, or a retail marijuana store
- Receiving marijuana from a marijuana testing facility
- Receiving or purchasing marijuana from a marijuana cultivation facility
- Delivering or transferring marijuana to a marijuana testing facility

Marijuana product manufacturing facility

- >>>>> Packaging, processing, transporting, manufacturing, displaying, or possessing marijuana or marijuana products
- >>>>> Delivering or transferring marijuana or marijuana products to a marijuana testing facility
- >>>>> Receiving marijuana or marijuana products from a marijuana testing facility
- >>>>> Delivering or selling marijuana or marijuana products to a retail marijuana store or a marijuana product manufacturing facility
- >>>>> Purchasing marijuana from a marijuana cultivation facility
- >>>>> Purchasing marijuana or marijuana products from a marijuana product manufacturing facility.

Marijuana testing facility:

- >>>>> Possessing, cultivating, processing, repackaging, storing, transporting, displaying, transferring, or delivering marijuana
- >>>>> Receiving marijuana or marijuana products from a marijuana cultivation facility, a marijuana retail store, a marijuana products manufacturer, or a person 21 years of age or older
- >>>>> Returning marijuana or marijuana products to a marijuana cultivation facility, a marijuana retail store, a marijuana products manufacturer, or a person 21 years of age or older

It is lawful and is not an offense or a basis for seizure or forfeiture of assets under state law to lease or allow the use of property for any of the activities conducted lawfully in accordance with the above

Nothing prevents the imposition of penalties upon marijuana establishments for violating this chapter or rules adopted by the board or local governments

The Marijuana Control Board is established in the Department of Commerce, Community, and Economic Development as a regulatory and quasi-judicial agency. The board is in the Department of Commerce, Community, and Economic Development for administrative purposes only



The board members shall be appointed by the governor and confirmed by a majority of the members of the legislature in joint session. A member of the board may not hold any other state or federal office, either elective or appointive

The board consists of 5 voting members

- 1. One from public safety sector
- 2. One from the public health sector
- 3. One currently residing in a rural area
- 4. One actively engaged in the marijuana industry
- 5. One who is either from the general public or actively engaged in the marijuana industry

Not more than two members of the board may be engaged in the same business, occupation, or profession.

A board member representing the general public, the public safety sector, the public health sector, or a rural area, or the member's immediate family member, may not have a financial interest in the marijuana industry

Definitions for this section:

- a. **Financial Interest**: holding, directly or indirectly, a legal or equitable interest in the operation of a business licensed under this chapter;
- b. **Immediate Family Member**: a spouse, child, or parent;
- c. **Marijuana Industry**: a business or profession related to marijuana in which the person is lawfully engaged and that is in compliance with the provisions of state law, including this chapter and regulations adopted under this chapter;
- d. **Public Health Sector**: a state, federal, or local entity that works to ensure the health and safety of persons and communities through education, policymaking, treatment and prevention of injury and disease, and promotion of wellness;
- e. **Public Safety Sector**: a state, federal, or local law enforcement authority that provides for the welfare and protection of the general public through the enforcement of applicable laws;
- f. **Rural Area**: a community with a population of 7,000 or less that is not connected by road or rail to Anchorage or Fairbanks, or with a population of 2,000 or less that is connected by road or rail to Anchorage or Fairbanks.

Terms of Office

Members of the board serve staggered three-year terms

- i. Except as provided in AS 39.05.080(4), a member of the board serves until a successor is appointed.
- ii. A vacancy occurring in the membership of the board shall be filled within 30 days by appointment of the governor for the unexpired portion of the vacated term.
- iii. A member who has served all or part of three successive terms on the board may not be reappointed to the board unless three years have elapsed since the person has last served on the board
- iv. The board shall select a chair from among its members

Per Diem & Expense

Members of the board do not receive a salary but are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180.

Meetings

- i. The board shall meet at the call of the chair. The board shall also meet at least once each year in each judicial district of the state to study this chapter and existing board regulations in light of statewide and local issues. Unless impracticable, the board shall hold its regular meetings at the same location as and within 24 hours of the regular meetings of the Alcoholic Beverage Control Board
- ii. Three members of the board constitute a quorum for the conduct of business. A majority of the whole membership of the board must approve applications for new licenses, renewals, transfers, suspensions, and revocations of existing licenses, and product approvals as provided in regulations adopted by the board

Enforcement Powers

The director and the persons employed for the administration and enforcement of this chapter may, with the concurrence of the commissioner of public safety, exercise the powers of peace officers when those powers are specifically granted by the board. Powers granted by the board under this section may be exercised only when necessary for the enforcement of the criminally punishable provisions of this chapter, other criminal statutes relating to substances or activities regulated or permitted under this chapter, regulations of the board, and other criminally punishable laws and regulations relating to marijuana

Duties of the Director

The director shall enforce this chapter and regulations adopted by the board. The director shall issue, renew, transfer, suspend, or revoke all licenses and permits and issue product approvals at the direction of the board. The board may delegate to the director the authority to temporarily grant or deny the issuance, renewal, or transfer of licenses and permits. The director's temporary grant or denial of the issuance, renewal, or transfer of a license or permit is not binding on the board. The board may delegate to the director any duty imposed by this chapter except its power to propose and adopt regulations

Appointment and Removal of Director

- The director of the Alcoholic Beverage Control Board appointed under AS 04.06.070 shall serve as the director of the board. The board may remove the director by a majority vote of the full membership of the board and a majority vote of the full membership of the Alcoholic Beverage Control Board. The governor may remove the executive director
- The paid staff of the Alcoholic Beverage Control Board created in AS 04.06.010 shall also be the staff for the board

The board shall

Propose and adopt regulations

Control the cultivation, manufacture, and sale of marijuana in the state. The board is vested with the powers and duties necessary to enforce this

Establish by regulation the qualifications for licensure including fees and factors related to the applicant's experience, criminal justice history, and financial interests

Review applications for licensure made under this chapter and may order the executive director to issue, renew, suspend, or revoke a license authorized under this chapter

Hear appeals from actions of the director and from actions of officers and employees charged with enforcing this chapter and the regulations adopted under this chapter

Promptly notify all licensees and municipalities of major changes and regulations. However, if changes affect only specific classifications of licenses and permits, the board need only notify those directly affected by the changes. Current copies of this chapter and current copies of the regulations adopted under this chapter shall be made available at all offices in the state of the Department of Commerce, Community, and Economic Development and the detachment headquarters and posts maintained by the division of Alaska state troopers in the Department of Public Safety

The board may

Reduce the area to be designated as the licensed premises from the area applied for if the board determines that a reduction in area is necessary to ensure control over the sale and consumption of marijuana on the premises or is otherwise in the public interest

Employ, directly or through contracts with other departments and agencies of the state, enforcement agents and staff it considers necessary to carry out the purposes of this chapter

Regulations under this subsection may not prohibit the operation of MEs, either expressly or through regulations that make their operation unreasonably impracticable. The regulations must include:

- 1 Procedures for the issuance, renewal, suspension, and revocation of a registration to operate a ME; procedures under this paragraph are subject to all requirements of Administrative Procedure Act
- 2 A schedule of application, registration, and renewal fees; application fees may not exceed \$5,000, with this upper limit adjusted annually for inflation
- 3 Qualifications for registration that are directly and demonstrably related to the operation of a ME
- 4 Security requirements for MEs, including for the transportation of marijuana by MEs
- 5 Requirements to prevent the sale or diversion of marijuana and marijuana products to persons under the age of 21
- 6 Labeling requirements for marijuana and marijuana products sold or distributed by a ME
- 7 Health and safety regulations and standards for the manufacture of marijuana products and the cultivation of marijuana
- 8 Reasonable restrictions on the advertising and display of marijuana and marijuana products
- 9 Civil penalties for the failure to comply with regulations
 - In order to ensure that individual privacy is protected, the board may not require a consumer to provide a retail marijuana store with personal information other than government-issued identification to determine the consumer's age, and a retail marijuana store may not be required to acquire and record personal information about consumers

Marijuana Establishment Registrations

81

When filing an application for a new registration the applicant shall submit:

- Applicant's fingerprints
- Fees required for criminal justice information and a national criminal history record check (AS 12.62.160)

A renewal application may be submitted up to 90 days before the expiration of the MEs registration; an applicant shall submit:

- Applicant's fingerprints
- Fees required for criminal justice information and a national criminal history record check every 5 years (AS 12.62.160)

Upon receiving an application or renewal application for a ME, the board shall:

- Immediately forward the fingerprints and fees to the Department of Public Safety to obtain a report of criminal justice information (AS 12.62) and a national criminal history record check (AS 12.62.400)
- Immediately forward a copy of each application and half of the registration application fee to the local regulatory authority in which the applicant desires to operate the ME, unless the local government has not designated a local regulatory authority
- Within 45 to 90 days, the board shall issue an annual registration to the applicant unless the board finds the applicant is not in compliance with regulations or the applicant is not in compliance with ordinances and regulations
- If a local government has enacted a numerical limit on the number of MEs and a greater number of applicants seek registrations, the board shall solicit and consider input from the local regulatory authority
- Upon denial of an application, the board shall notify the applicant in writing of the specific reason for its denial



- Every ME registration shall specify the location of operation: a separate registration shall be required for each location
- MEs and the books and records maintained and created by MEs are subject to inspection by the board
- ME may not be registered under this chapter if a person who is an owner, officer, or agent of the ME has been convicted of a felony and EITHER less than five years have elapsed from the time of the person's conviction OR the person is currently on probation or parole for that felony

A local government / established village may:

- 1 Prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, or retail marijuana stores through the enactment of an ordinance or by a voter initiative (AS 17.38.300)
- 2 Enact ordinances or regulations not in conflict with this chapter or with regulations enacted pursuant to this chapter, governing the time, place, manner, and number of marijuana establishment operations
- 3 Establish civil penalties for violation of an ordinance or regulation governing the time, place, and manner of a marijuana establishment that may operate in such local government.
- 4 Designate a local regulatory authority that i) is responsible for processing applications submitted for a registration to operate a marijuana establishment within the boundaries of the local government, and ii) may issue such registrations should the issuance by the local government become necessary because of a failure by the board to adopt regulations (AS 17.38.090) or to accept or process applications (AS 17.38.100)
- 5 Establish procedures for the issuance, suspension, and revocation of a registration issued by the local government (subject to all requirements of AS 44.62)
- 6 Establish a schedule of annual operating, registration, and application fees for marijuana establishments, provided that the local government may charge the: (1) application fee only if an application is submitted to the local government, and (2) registration fee only if a registration is issued by the local government

- The applicant may resubmit its application to the local regulatory authority, which may issue an annual registration, if the board:
- Does not issue a registration to an applicant within 90 days of receipt of the application (AS 17.38.100) and does not notify the applicant of the specific, permissible reason for its denial, in writing or if the board has adopted regulations (AS 17.38.090)
 - Has accepted applications (AS 17.38.100) but has not issued any registrations by 15 months after the effective date of this Act

If an application is submitted to a local regulatory authority, the board shall forward to the local regulatory authority the application fee paid by the applicant to the board upon request by the local regulatory authority

A local regulatory authority shall issue a registration to an applicant within 90 days of receipt of the application unless the local regulatory authority finds and notifies the applicant that the applicant is not in compliance with ordinances and regulations in effect

The local government shall notify the board if an annual registration has been issued to the applicant

- A registration issued by a local government has the same force and effect as a registration issued by the board (AS 17.38.200)
- The holder of a registration is not subject to regulation or enforcement by the board during the term of the registration.
- A subsequent or renewed registration may be issued on an annual basis only upon resubmission to the local government of a new application submitted to the board (AS 17.38.100)
- Nothing in this section shall limit such relief as may be available to an aggrieved party (AS 44.62)
- The exercise of the powers authorized by this section by a borough may be exercised only on a non-areawide basis (i.e., throughout the area of a borough outside all cities in the borough) - *except as provided in AS 29*

Employers, Driving, Minors and Control of Property

84

Nothing in this chapter is intended



To allow driving under the influence of marijuana or to supersede laws related to driving under the influence of marijuana



To require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or growing of marijuana in the workplace or to affect the ability of employers to have policies restricting the use of marijuana by employees



To permit the transfer of marijuana, with or without remuneration, to a person under the age of 21



Nothing in this chapter shall prohibit a person, employer, school, hospital, recreation or youth center, correction facility, corporation, or any other entity who occupies, owns, or controls private property from prohibiting or otherwise regulating the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of marijuana on or in that property

Local Option Election by an Established Village

85

If a majority of the voters voting on the question vote to approve the option, an established village shall exercise a local option to prohibit the operation of one or more of the following types of MEs:

- 1 Marijuana cultivation facilities
- 2 Marijuana product manufacturing facilities
- 3 Marijuana testing facilities
- 4 Retail marijuana stores

A ballot question to adopt a local option under this section must at least contain language substantially similar to the following: *"Shall (name of village) adopt a local option to prohibit (specify local option under (a) of this section)? (yes or no)."*



If a majority of the voters voting on the question vote to remove the option, an established village shall remove a local option previously adopted under AS 17.38.300. The option is repealed effective the first day of the month following certification of the results of the election



When issuing a registration in the area that has removed a local option, the board shall give priority to an applicant who was formerly registered and whose registration was not renewed because of the results of the previous local option election. However, an applicant described in this subsection does not have a legal right to registration, and the board is not required to approve the application.

If a majority of voters vote to:

- 1 Prohibit the operation of MEs under AS 17.38.300, the board may not issue, renew, or transfer, between persons or locations, a registration for a ME located within the perimeter of the established village. A registration that may not be renewed because of a local option election held under AS 17.38.300 is void 90 days after the results of the election are certified. A registration that expires during the 90 days after the results of a local option election are certified may be extended, until it is void under this section, by payment of a prorated portion of the annual registration fee
- 2 Adopt or remove a local option under AS 17.38.300 or 17.38.310, the lieutenant governor shall notify the board of the results of the election immediately after the results are certified. The board shall immediately notify the Department of Law and the Department of Public Safety of the results of the election
- 3 Prohibit the operation of marijuana establishments under AS 17.38.300, a person may not knowingly sell or manufacture marijuana in the established village.

-
- If there are registered establishments within the established village, the prohibition on sale and manufacture is effective beginning 90 days after the results of the election are certified
 - Nothing in this section prohibits the personal conduct authorized in AS 17.38.020
 - A person who violates this section is guilty, upon conviction, of a class A misdemeanor. Each violation is a separate offense. AS 17.38.330

A licensed retail marijuana store is authorized to sell, and store marijuana purchased from a licensed marijuana cultivation or product manufacturing facility but

- ✔ Product must be consumed off the licensed premises
- ✔ Products must be packaged and labeled as required in a quantity not exceeding the limits set

Each licensee, employee, or agent who is required to be physically present on the licensed premises **must** obtain a **Marijuana Handler Permit** before being licensed or employed at a marijuana retail store, cultivation facility, product manufacturing facility, testing facility or establishment. A licensed retail marijuana store may not sell, give, distribute, deliver or offer to sell marijuana to:



A person that is under the influence of an alcoholic beverage, inhalant, or controlled substance



A person under the age of 21 years

Licensed marijuana retail stores, cultivation facilities, product manufacturing facilities, testing facilities, or establishments must use a marijuana inventory tracking system to ensure:

- 1 All marijuana product is identified and tracked from receipt of any batch through sale, transfer, or disposal
- 2 Transactions are reconciled each day from the store's point of sale system and current inventory at the close of each business day
- 3 That no marijuana or marijuana product is not received without a valid transport manifest

Licensed MEs May Not

89

A licensed retail marijuana store may not:

- ✗ Conduct business or all consumer access to premises outside of business hours
- ✗ Offer free marijuana or marijuana products, including samples or offering alcoholic beverages for free for compensation
- ✗ Sell over the internet and may only sell marijuana to a consumer who is physically present on the licensed premises
- ✗ Sell after the expiration date shown on the label of the product



A licensed retail marijuana store may not sell in a single transaction:

- ✗ Seventy-two ounces of marijuana infused product in liquid form
- ✗ More than seven grams of marijuana infused extract for inhalation
- ✗ Sixteen ounces of marijuana-infused product in solid form
- ✗ More than one ounce of usable marijuana

Packaging Requirements

90

Any marijuana or marijuana product sold at a retail marijuana store must be packaged in opaque, reclosable, child-resistant packaging when the purchaser leaves the retail premise:

- 1 The packaging must be designed or constructed to be significantly difficult for children under five year of age to open
- 2 Not normally difficult for adults to use properly. A retail store will affix a label to each package of marijuana or marijuana product that identifies the marijuana retail store selling the marijuana product by name or distinctive logo and marijuana establishment license number

States the total estimated amount of Tetrahydrocannabinol (THC) in the labeled product. All packaging and advertising for marijuana must contain the following warnings:

1 "Marijuana has intoxicating effects and may be habit forming and addictive."

2 "There are health risks associated with consumption of marijuana."

3 "Marijuana impairs concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence."

4 "For use only by adults 21 and older. Keep out of reach of children."

5 "Marijuana should not be used by women who are pregnant or breastfeeding."

Lawful Marijuana Facility Operations

91

Marijuana operations and facilities may include:

- i. Retail stores
- ii. Cultivation facilities
- iii. Product manufacturing facilities
- iv. Testing laboratories

Marijuana operations with current Alaska registrations make it lawful for employees 21 years or older to act on behalf of any of the operations

The following acts are lawful and will not be an offense under Alaska law or be a basis for seizure or forfeiture of assets at a retail facility:

- Possess, display, store, and transport marijuana or marijuana products with the exception of window displays that may be visible to the general public from a public right-of-way
- Purchase marijuana and marijuana products from a cultivation entity or a marijuana product manufacturing facility
- Receive marijuana seeds or immature plants from a person 21 years or older
- Deliver, transfer, and receive marijuana or marijuana products to and from a testing facility or laboratory
- Deliver, distribute, and sell marijuana or marijuana products to cultivation facilities, product manufacturing facilities, or directly to retail stores

Marijuana Control Board

92

The board performs the following:

- 1 Create civil penalties for failure to comply with regulations set forth by the board
- 2 Notify all licensees and municipalities of major changes to the regulations adopted
- 3 Manage rule making for procedures, registration, and qualifications for establishments
- 4 Prevent sales to minors
- 5 Review applications to issue, renew, suspend, or revoke
- 6 Approve labeling requirements
- 7 Insure security and transport
- 8 Set health and safety standards
- 9 Establish advertising regulations
- 10 Hear appeals from actions of officers and employees charged
- 11 Establish qualifications and fees for licensure
- 12 Propose and adopt regulations

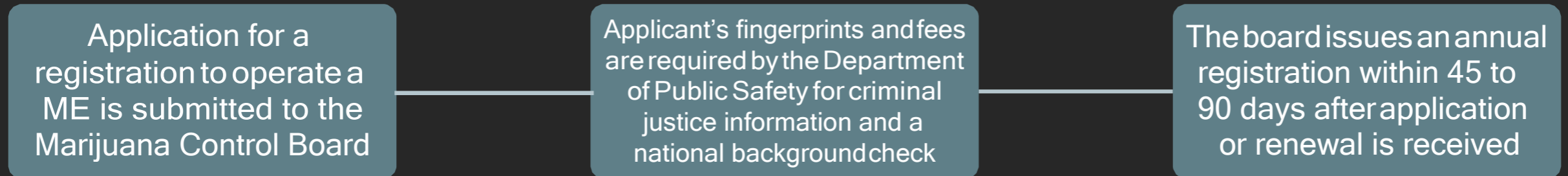
In order to ensure that individual privacy is protected, the board does not require a consumer to provide a retail marijuana store with personal information other than government-issued identification to determine the consumer's age, and a retail marijuana store cannot be required to acquire and record personal information about consumers

Marijuana Establishment Registrations

A Marijuana Establishment can include:

- i. Structure that houses marijuana, marijuana products, and the means to process
- ii. Marijuana cultivation facility
- iii. Marijuana testing facility
- iv. Marijuana product manufacturing facility
- v. Retail marijuana store

Marijuana establishments must be approved through the state application process which includes:



Every ME registration must specify the location where the ME will operate. A separate registration is required for each location at which a marijuana establishment operates. If a local government has enacted a numerical limit on the number of MEs and a greater number of applicants seek registrations, the board will solicit input from the local regulatory authority as to the local government's preference

With the enactment of an ordinance or by voter initiative, a local government such as an established village, may prohibit the operation of:

01

Marijuana cultivation facility

02

Marijuana product manufacturing facility

03

Retail marijuana store

01

Marijuana testing facility

Local governments can determine the number of establishments allowed as well as, time, place, and manner in which they operate

In addition, the local government may designate a local regulatory authority that is responsible for processing applications and registrations to operate marijuana establishments within the local jurisdiction

Local options

An "Established Village" can exercise a local option to prohibit the operation of a marijuana establishment



Ballot question must contain language similar to:

Shall (name of the village) adopt a local option to prohibit (specify establishment type)? (yes or no)."¹

An established village can remove a local option previously adopted if a majority of voters vote to remove the option.



Shall (name of village) remove the local option currently in effect, that prohibits (current local option so there is no longer any local option in effect? (yes or no)"

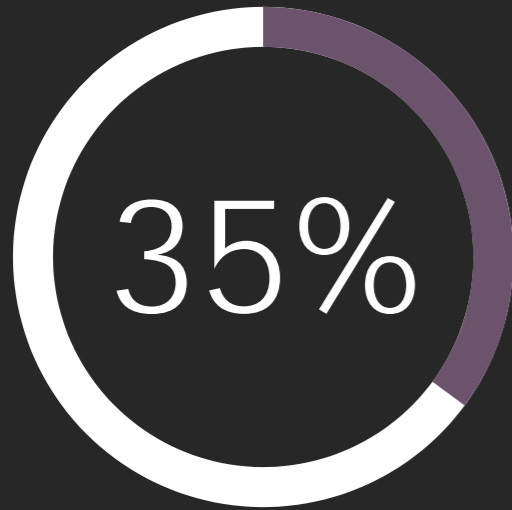


For registrations not renewed because of a local option, they become void 90 days after the results of the election are certified. If the majority of votes prohibit the operation of marijuana establishments, a person of that establishment may not knowingly sell or manufacture marijuana in the established village.

If there are registered marijuana establishments within the established village, the prohibition on sale and manufacture is effective beginning 90 days after the results of the election are certified.

¹ When a registration is issued in the area where the local options was removed, the board gives priority to an applicant who was formerly registered and whose registration was not renewed because of the results of a local option election. However, an applicant does not have a legal right to registration, and the board is not required to approve the application. If voters vote to prohibit the operation of marijuana establishments, the board may not issue, renew or transfer between locations or persons a marijuana establishment located within the pediment or the established village.

**When a petition
receives at least...**



Among registered voters within
an "Established Viallge"

Lieutenant governor
places on a separate
ballot the location
option removal that
constitutes as the
subject of the petition

PLEASE NOTE

An election cannot take place during the
first 24 months after the local option was
adopted

When a petition is certified to meet the
requirements, another petition may not be
filed until the first petition is voted on

If the local option question wants to
prohibit the operation of marijuana
cultivation facilities, marijuana product
manufacturing facilities, marijuana testing
facilities, or retail marijuana stores or to
prohibit all marijuana establishments, it
may all be presented in one election

The perimeter of an established village is a circle around the established village that includes an area within a five-mile radius of the post office of the established village.

If a post office does not exist, the perimeter of the established village is a circle around the established village that includes an area within a five-mile radius of another site selected by the local governing body or by the board if the established village does not have a local governing body.

The board will determine the perimeter of an established village if the perimeter does not accurately reflect the established village and the areas that overlap with nearby established villages



Everyone who works in the marijuana industry is required to obtain a Marijuana Handler Permit prior to the first scheduled day of work, including: each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana products, or who checks the identification of a consumer or visitor

To earn a marijuana handler permit:

- 1 Complete training that is approved by the board and pass a written assessment to demonstrate a clear understanding of the material presented
- 2 Upon completion, a certificate is given that can be presented to the director who will in return issue a marijuana handler permit card, valid for three years from the date of issue
- 3 To renew a marijuana handler permit, one must pass a written test to demonstrate a clear understanding of the course subjects.

The marijuana handler permit card must be in that person's immediate possession or a valid copy must be on file at the premises at all times of the marijuana establishment. Renewal can be obtained by

Alaska Laws and Marijuana Composition Regulations

99

Alaskan residents can cultivate, process and make their own edibles at home.

Property owners may also use cannabis products at their home outside the view of the general public

It is the responsibility of the consumer to verify with landlord on rules surrounding marijuana use on the property. If a tourist wants to indulge in a marijuana product, it is a bigger problem since many hotel rooms are non-smoking, and there are no real guidelines about marijuana consumption in hotels or rentals

It is unlawful to smoke marijuana:

1

In view of the general public

2

On the premises of a retail shop

3

Anywhere where smoking is banned

4

Concerts and sporting events

5

Anywhere it is prohibited to have an open container or alcohol

6

On federal land, which includes national parks, federal courthouses, national monuments, and military bases

30 Questions
All Multiplechoice
60 minutes to complete test
Good Luck!



THANK YOU!